

## Blount, Will

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**From:** Madeleine Weil [mweil@socoreenergy.com]  
**Sent:** Thursday, August 02, 2012 9:47 AM  
**To:** PPB  
**Subject:** IPA Communication Report  
**Attachments:** IPA Comm Report\_SoCore\_080112.pdf

Hello,

Please find attached a report of communication between SoCore Energy staff member Madeleine Weil and Illinois Power Agency Acting Director Arlene Juracek.

Please let me know if you have any questions.

Thank you,  
Madeleine Weil



Madeleine Weil  
225 W Hubbard Street, Suite 302 | Chicago, IL 60654  
O : (773) 897 3904 | M : (312) 590 4395  
[mweil@socoreenergy.com](mailto:mweil@socoreenergy.com)  
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## REPORT OF COMMUNICATIONS WITH THE ILLINOIS POWER AGENCY

This form must be completed and submitted to the Illinois Procurement Policy Board within 30 days for each communication report required by 30 ILCS 500/50-39. Submit reports to:

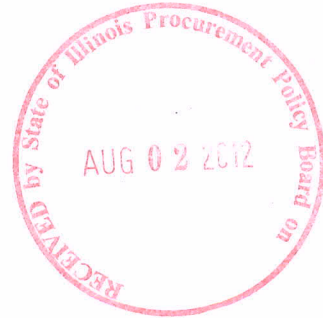
PROCUREMENT POLICY BOARD  
511 W. CAPITOL AVENUE, SUITE 102  
SPRINGFIELD, IL 62704

Or you may send a signed, scanned copy via email with "IPA Communication Report" in the Subject line to: [ppb@illinois.gov](mailto:ppb@illinois.gov)

Date of Communication: August 1, 2012 Time of Communication: 4:57 pm

### Type of Communication:

- ☐ Telephone  
☐ In Person  
☒ Electronic (Email, Fax, Etc.) – Attach A Complete Copy of the Entire Communication String  
☐ Written – Attach Copy  
☐ Other



### Initiator:

Initiator of Communication: Madeleine Weil  
Representing: SoCore Energy  
Location: 225 W Hubbard Street, Suite 302, Chicago, IL 60654  
Email Address (if communication was via email): [mweil@socoreenergy.com](mailto:mweil@socoreenergy.com)  
Telephone Number (if telephonic):  
Is this person a Lobbyist required to register under the Lobbyist Registration Act

Duration of Call or In-Person Communication: NA  
☐ Yes ☒ No

**Recipient(s):** *(If there are additional persons involved in the communication, attach an additional sheet that lists the other participants' names, job titles, which entity they represent, email address and/or telephone number, if applicable)*

Recipient One Name: Arlene Juracek  
Recipient Title: Acting Director  
Representing: Illinois Power Agency  
Location: Michael A. Bilandic Building, Suite C-504  
160 North LaSalle Street, Chicago, Illinois  
Email Address (if communication was via email): [Arlene.Juracek@Illinois.gov](mailto:Arlene.Juracek@Illinois.gov)  
Telephone Number (if telephonic):

Recipient Two Name:  
Recipient Title:  
Representing:  
Location:  
Email Address (if communication was via email):  
Telephone Number (if telephonic):

Recipient Three Name:  
Recipient Title:  
Representing:  
Location:  
Email Address (if communication was via email):  
Telephone Number (if telephonic):

If any of these additional participants are lobbyists required to register under the Lobbyist Registration Act, they must submit a written report to be submitted with this communications report to the Procurement Policy Board that memorializes the communication that includes, but is not limited to (i) the date and time of each communication; (ii) the identity of each person from whom the written or oral communication was received, the individual or entity represented by that person, and any action the person requested or recommended; (iii) the identity and job title of the person to whom each communication was made; (iv) if a response is made, the identity and job title of the person making each response; (v) a detailed summary of the points made by each person involved in the communication; (vi) the duration of the communication; (vii) the location or locations of all persons involved in the communication and, if the communication occurred by telephone, the telephone numbers for the callers and recipients of the communication; and (viii) any other pertinent information.

### Communication Details:

Provide a detailed summary of the points made by each person involved in the communication:  
See attached.

Was a response made? If so, complete the following for each person making the response (attach an additional sheet that lists the other respondents' names, job titles, which entity they represent, email address and/or telephone number, if applicable):

Respondent Name:

Arlene Juracek

Respondent Title:

Acting Director, Illinois Power Agency

Location:

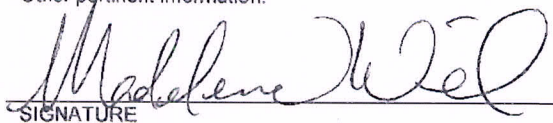
Michael A. Bilandic Building, Suite C-504  
160 North LaSalle Street, Chicago, Illinois

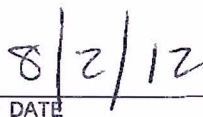
Telephone Number (if telephonic):

Provide a detailed summary of the response:

See attached

Other pertinent information:

  
SIGNATURE

  
DATE

## Madeleine Weil

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**From:** Juracek, Arlene <Arlene.Juracek@Illinois.gov>  
**Sent:** Wednesday, August 01, 2012 10:20 PM  
**To:** Madeleine Weil  
**Cc:** Gregory Buzzell  
**Subject:** RE: DG Auction Sequencing and Contracting Process - Recommendations

Thanks. I appreciate your efforts.

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**From:** Madeleine Weil [mweil@socoreenergy.com]  
**Sent:** Wednesday, August 01, 2012 4:56 PM  
**To:** Juracek, Arlene  
**Cc:** [gbuzzell@socoreenergy.com](mailto:gbuzzell@socoreenergy.com)  
**Subject:** DG Auction Sequencing and Contracting Process - Recommendations

Dear Arlene,

When we met earlier this month, I offered to sketch out a potential auction and contracting sequence for RECs from larger (>25kW) DG projects. Please see the attached outline. This isn't intended to represent THE ONLY way to sequence a successful DG auction and contracting process, but it does represent a straightforward process that we believe would produce a successful outcome. It draws from the features several programs across the country and is tailored to meet Illinois requirements.

Also, because the specific terms of REC contracts will have a large impact on the ability of bidders to get projects financed, we suggest publishing draft contract terms as a component of the Draft IPA Procurement Plan. This will provide an opportunity for the bidder community to offer comments and feedback without eating up time during the procurement process itself.

Sincerely,  
Madeleine Weil



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**Recommended Auction and Contracting Sequence**  
**Illinois Power Agency's DG Procurement Program – DG Devices 25kW-2MW**

1. Invite bidders to compete for long-term contracts in two categories:
  - a. Large: aggregated blocks of at least 1MW in which the largest qualifying DG device is >500kW and <2MW AC.
  - b. Medium: aggregated blocks of at least 1MW in which the largest qualifying DG device is <499kW AC.
2. For the initial bid submission, we recommend requiring bidders to supply the following information for each individual DG device located behind each individual REC meter:
  - a. Project Name.
  - b. Project Address.
  - c. Utility Account Number.
  - d. Customer Rate Class.
  - e. Certification of Site Control by the Property Owner.
  - f. If the applicant is not the property owner and the utility customer of record:
    - i. Require a letter from the property owner and the utility customer of record authorizing the applicant to bid on behalf of the customer.
  - g. Type of DG system (Solar PV, Wind, Biogas, etc.).
  - h. DG Device Size (nameplate capacity in kW-AC and kW-DC).
  - i. Year 1 Production Factor (kWh/kW) per DG Device.
  - j. Maximum Annual Quantity (MWh of RECs) for each contract year per DG Device.
3. For the initial bid submission, we recommend requiring bidders to supply the following information for the aggregated bid:
  - a. Total Maximum Annual Quantity (MWh of RECs) to be provided for each contract year.
  - b. One fixed REC bid price applicable to the aggregated portfolio (one price, no escalators, same number applies to REC deliveries in each contract year).
    - i. Consider allowing bidders to propose bid prices for a 5 year contract, a 10 year contract and a 15 year contract. Publish a fixed discount rate so that bids can be compared by price on a net present value (NPV) basis.
  - c. Non-Refundable Application fee of \$5/kW of nameplate capacity in the aggregated bid.
  - d. REC Delivery Term Start Date. Offer bidders a choice of June 1, 2013, October 1, 2013, January 1, 2013 or March 1, 2013.
  - e. Bidders must certify that each eligible DG device will be interconnected behind an individual REC meter and generating RECs by the Delivery Term Start Date.
4. Set a non-negotiable deadline for accepting applications.
  - a. Select winning bids. All eligible bids must fall below confidential reference prices, as defined in the IPA Act.

- b. Notify winning bidders, deliver standard contracts for execution, and provide a three week window to return executed contracts.
    - i. In the event of a tie in which more than one bidder has an equal claim to limited capacity, award remaining capacity in proportion to the amount bid by each "tied" bidder.
  - c. Maintain a "standby list" for eligible bids ordered according to bid price, in case some winning projects fail to move forward.
- 5. Upon contract execution, require bidders to put up a Development Deposit of 20% of the Maximum Annual Quantity in the contract multiplied by the purchase price. Do not require a Development Deposit for projects that are already built and interconnected.
- 6. If too few winning bidders execute the standard contract and provide the Development Deposit within three weeks, offer contracts to eligible bids on the standby list, in order of bid price.
- 7. After REC contracts have been signed for all of the solicited capacity, allow bidders to remove or keep projects on the standby list. In the event that the small (<25kW) system solicitation does not result in an adequate REC supply, projects remaining on the standby list will be eligible for making up the remainder of the year's compliance obligation (selected in order of bid price).
- 8. If on the Delivery Term Start Date, 100% of the projects included in a contract are in service and certified to produce RECs, return 100% of the Development Deposit. A supplier may request that the utility to grant a 90-day extension to the Delivery Term Start Date (the start date pushes to the 1<sup>st</sup> day of the next quarter). Approval of the extension should not be unreasonably withheld, provided that the applicant offers sufficient assurance that REC delivery will not be delayed again. If the 90-day extension deadline is met, return 80% of the Development Deposit.
- 9. On the Delivery Term Start Date, assess a Performance Assurance Deposit for 1% of the value of RECs over the lifetime of the contract. Allow this to be supplied as cash, a bond or a letter of credit. Reduce the amount of Performance Assurance held by the contracting utility every two years, in proportion to the length of the contract.
- 10. If the supplier fails to supply at least 90% of contracted RECs over a 3-year rolling average during the contract term, the contracting utility may terminate the contract and require the applicant to forfeit the remaining Performance Assurance.
  - a. In the case of a documented Force Majeure event, the utility should reduce the number of RECs procured from the supplier to account for the impact of the Force Majeure event.
  - b. The utility is not obligated to extend the contract term as a result of a Force Majeure event.